

## Message Text

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PAGE 01 PARIS 18720 01 OF 02 241825Z  
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 /020 W  
-----078231 241911Z /45  
R 241757Z JUN 77  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 4751

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 18720

STADIS////////////////////////////////////

USOECD

E.O. 11652: XGDS1  
TAGS: ESTC, COCOM  
SUBJ: BELGIAN PROPOSAL ON IL 1091

REFS: A) PARIS 17460, B) STATE 140149, C) PARIS,  
D) BRUSSELS 6467, E) R00T/COMRAS TELECON 6/22

1. SUMMARY: USDEL PERSUADED BELGIAN DEL TO SUBMIT EXCEPTION REQUESTS FOR BELGIAN MACHINE TOOLS SALES TO ROMANIA RATHER THAN UNILATERALLY PROCEED AS IF BELGIAN 1091 PROPOSAL HAD BEEN ADOPTED BELGIAN DEL, AFTER CONFERRING WITH HIS AUTHORITIES, AGREED TO HOLD BELGIAN IL 1091 PROPOSAL IN ABEYANCE UNTIL OCTOBER DISCUSSIONS AND INDICATED THAT HE WOULD SUBMIT WITHIN THREE WEEKS URGENCY REQUEST FOR UP TO 10 MACHINE TOOL EXPORTS.

2. USDEL CALLED ON WILLY STEVENS THE MORNING OF 6/23 TO DISCUSS BELGIAN INTENTIONS REGARDING THEIR REQUEST FOR A PARTIAL6MONTH EXEMPTION FROM IL 1091. STEVENS INFORMED USDEL THAT HE HAD RECEIVED INSTRUCTIONS TO EFFECT THAT IF BELGIAN IL 1091 PROPOSAL WAS NOT AGREED TO BY COMMITTEE AT LEAST FOR SIX-MONTH PERIOD HE SHOULD NOTIFY THE  
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COMMITTEE THAT HIS AUTHORITIES WOULD PROCEED AS IF THEIR PROPOSAL HAD BEEN ACCEPTED, DRAWING SOLACE FROM THE APPROVAL OF ALL DELEGATIONS EXCEPT THE UNITED STATES.

3. USDEL ASKED BELGIAN DEL TO RECONSIDER THIS POSITION AND REVIEW ITS UNFORTUNATE CONSEQUENCES AGAIN WITH HIS AUTHORITIES. USDEL POINTED OUT THAT THIS COURSE OF ACT-

ION WOULD NEEDLESSLY AND SERIOUSLY DISRUPT THE CONSENSUS OF THE COMMITTEE AND SET A PARTICULARLY DANGEROUS PRECEDENT WITH RESPECT TO THE EMBARGO. USDEL COULD NOT UNDERSTAND WHY BELGIUM WANTED TO KILL A FLY WITH A SLEDGE HAMMER, AND RISK WRECKING THE HOUSE. THE GENERAL EXCEPTIONS PROCEDURES APPEARED TO OFFER BELGIUM A MORE CONSTRUCTIVE AND LESS DESTRUCTIVE COURSE OF ACTION. HE SUGGESTED THAT BELGIAN DELEGATE COULD SUBMIT EXCEPTION REQUESTS FOR THE MACHINE TOOLS IN QUESTION TO THE COMMITTEE UNDER THE URGENCY PROCEDURE AND INVOKE THE ECONOMIC AND OTHER CONSIDERATIONS MENTIONED IN PARA I(D). SUCH ACTION MIGHT WELL RESULT IN THE MACHINE TOOL EXPORTS OBTAINING UNANIMOUS APPROVAL. ALL OTHER DELEGATIONS HAD ALREADY ACCEPTED THE BELGIAN PROPOSAL AND THERE WAS EVEN SOME SYMPATHY FOR IT IN THE UNITED STATES. IN ANY EVENT THE BELGIAN DEL COULD WELL RECALL THE DEBATE ON COCOM DOC (75) 797 AND PARTICULARLY WHAT WAS SAID IN PARA 13 OF COCOM DOC (75) 1249. CERTAINLY SUCH A COURSE OF ACTION WOULD BE LESS DRASTIC AND PERHAPS EVEN MORE COMPREHENSIBLE THAN TAKING SUCH PRECIPITOUS ACTION ON THE LEVEL OF THE EMBARGO ITSELF.

4. BELGIAN DEL REVIEWED WITH INTEREST THE RECORD OF DISCUSSION REFERRED TO. HE WONDERED, HOWEVER, HOW BELGIUM, COULD AT THIS STAGE SUBMIT AN EXCEPTION REQUEST BECAUSE IT STILL HAD NO FIRM ORDERS. IT COULD NOT YET  
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SPECIFY IN DETAIL THE CONFIGURATION OR SPECIFICATIONS OF THE EQUIPMENT AND WOULD BE RELUCTANT TO DIVULGE THE END-USERS GIVEN THE COMPETITION FOR THIS MARKET FROM FRENCH, GERMAN, ITALIAN AND JAPANESE MACHINE TOOL BUILDERS. BELGIUM, HE SAID WAS AT LEAST BEING HONEST ENOUGH TO COME TO THE COMMITTEE AND SEEK A COMMITTEE SOLUTION TO OBTAINING THESE SALES. THE OTHER CITED MEMBER COUNTRIES WERE INSTEAD NEGOTIATING FOR THESE SALES BEHIND THE BACK OF THE COMMITTEE. THERE WAS, HE SAID, A CURRENT MARKET FOR THE SALE OF UP TO 30 MACHINE TOOLS TO ROMANIA VALUED AT \$45 MILLION. HE BELIEVED THAT THESE WERE IN ADDITION TO THE EIGHT MACHINE TOOLS SUBMITTED UNDER COCOM DOC. (77) 50. GIVEN THE CONTINUING SEVERE RECESSION IN BELGIUM AND IN THE BELGIAN MACHINE TOOL INDUSTRY, THE BELGIAN GOVERNMENT, HE SAID, WAS COMMITTED TO ASSISTING THIS INDUSTRY TO THE FULL EXTENT FEASIBLE IN OBTAINING NECESSARY SALES OPPORTUNITIES. WHAT WAS NEEDED NOW WAS SOME KIND OF ASSURANCE THAT THESE BELGIAN MACHINE TOOL FIRMS COULD EXPORT THE MACHINE TOOLS THAT THEY WERE NEGOTIATING TO

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ACTION EB-07

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-----078485 241912Z /45

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FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 4752

C O N F I D E N T I A L SECTION 02 OF 02 PARIS 18720

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SELL. THIS HE SAID WAS WHAT WAS MOTIVATING HIS AUTHOR-  
ITIES TO SEEK AN EXEMPTION FROM THE EMBARGO.

5. USDEL RESPONDED THAT BELGIUM COULD ALWAYS PROVIDE  
ITS FIRMS WITH SUCH ASSURANCES IF IT WERE DETERMINED TO  
DO SO, FOR IN ANY CASE BELGIUM WOULD HAVE THE FINAL  
SAY REGARDING THE EXPORT OF ANY OF ITS PRODUCTS. THIS  
FACT SHOULD NOT NOW BE PREMATURELY REFLECTED IN SUCH  
A WAY AS TO DISRUPT THE INTERNATIONAL STRATEGIC EMBARGO  
ITSELF. CERTAINLY THE MOST LOGICAL COURSE OF ACTION  
WOULD BE TO SEEK THE COMMITTEE'S AGREEMENT FOR AN EXCEP-  
TION REQUEST BEFORE DETERMINING ON ANY UNILATERAL COURSE.  
GIVEN THE FACT THAT NO FIRM ORDER HAD YET BEEN RECEIVED  
IT WAS PERHAPS STILL PREMATURE TO SUBMIT AN EXCEPTION  
REQUEST AT THIS TIME. THERE WAS NO REASON WHY AN EXCEP-  
TION REQUEST COULD NOT BE SUBMITTED AT A LATER DATE  
WHEN A FIRM ORDER WAS OBTAINED, AFTER ALL, MACHINE TOOLS  
AREN'T BUILT IN A DAY. NEVERTHELESS, USDEL STATED,  
IF BELGIUM WANTED TO SUBMIT AN EXCEPTION REQUEST NOW IT  
SHOULD NOT FEEL UNABLE TO DO SO BECAUSE IT COULD NOT  
PROVIDE THE EXACT DETAILS REGARDING SPECIFICATIONS OR  
END USERS. THE BELGIANS SHOULD PROVIDE THE FULLEST IN-  
FORMATION POSSIBLE, BUT THEY COULD ALWAYS SUBSEQUENTLY  
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OR BILATERALLY SUPPLY ADDITIONAL INFORMATION AS THE STUDY OF THEIR REQUEST, AND THE NEGOTIATION OF THE ORDER, PROGRESSED.

6. STEVENS CONCLUDED THE CONVERSATION BY PROMISING TO CALL HIS AUTHORITIES TO DISCUSS THE UNITED STATES SUGGESTION REGARDING THE USE OF THE EXCEPTION REQUEST PROCEDURE. HE SUBSEQUENTLY INFORMED USDEL THAT HIS AUTHORITIES HAD DECIDED TO ACCEPT A COURSE OF ACTION SIMILIAR TO THAT RECOMMENDED BY THE USDEL. THEY WOULD, HE SAID, WITHIN THREE WEEKS SUBMIT AN EXCEPTION REQUEST UNDER THE URGENCY PROCEDURE FOR 8 TO 10 MACHINE TOOLS FOR ROMANIAN END USERS. THEY WOULD PROVIDE A LIST OF ALL THE POTENTIAL END USERS WITH WHICH THEY HAVE HAD NEGOTIATIONS BUT WOULD NOT SPECIFY THE PARTICULAR END USERS FOR EACH MACHINE UNTIL A SUBSEQUENT DATE. THEY WOULD ALSO SET A SOMEWHAT FLEXIBLE DATE LIMITE. WHILE THEY COULD AGREE TO A CERTAIN NUMBER OF EXTENSIONS THEY WOULD FEEL FREE TO SET A FINAL DEADLINE, IF AND WHEN THEY BELIEVED IT TO BE REQUIRED. THEY WOULD ALSO RESERVE THE RIGHT TO MAKE THEIR OWN FINAL DETERMINATION WITH REGARD TO SUCH EXPORTS.

7. WITH RESPECT TO THEIR PROPOSAL ON IL 1091 THEY WOULD AGREE, STEVENS SAID, TO LEAVE IT IN ABEYANCE PENDING US RESERVE UNTIL THE OCTOBER DISCUSSIONS ON US PROPOSAL FOR IL 1091.

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## Message Attributes

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